

This listing of claims replaces all previous versions and listings of claims.

Listing of Claims:

1. (previously presented) A method of a lending institution funding a pool of loans, with one or more insurers, the pool of loans having associated therewith a first rating or no rating, an aggregate amount and a first loss, the method comprising:

the lending institution assuming risk of the first loss by providing a first loss financial guaranty, the first loss being a percentage of the aggregate amount of the pool of loans;

the lending institution transferring the loans to an entity that secures insurance for the loans from the insurers, and transferring risk of loss other than the first loss to the insurers, the entity having a second rating greater than the first rating or no rating and securing proceeds based on the pool of loans and its second rating;

the proceeds in an amount greater than that which the lending institution could secure due to the second rating being greater than the first rating or no rating;

the lending institution receiving proceeds from the entity in return for transferring the loans to the entity; and

the lending institution funding loans using the proceeds.

2. (previously presented) A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

3. (previously presented) A method as recited by claim 1, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

4. (cancelled)

5. (previously presented) A method as recited by claim 1, wherein the entity that secures insurance for the loans from the insurers issues a note to obtain funding for the loan, and wherein the note is insured by the insurance company.

6. (original) A method as recited by claim 5, wherein the entity comprises a bankruptcy-remote entity and a trust.

7. (previously presented) A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of the lender.

8. (previously presented) A method as recited by claim 5, wherein the lending institution comprises a lender and a reinsurer, and wherein the financial guaranty is reinsurance provided by the reinsurer, and wherein the pool of loans is a pool of loans of a third party.

9-26. (cancelled)